

# UMZIMVUBU LOCAL MUNICIPALITY



## INDIGENT SUPPORT POLICY

This policy is designed and implemented within the framework of the following legislation: The Municipal Systems Act, (Act 32 of 2000); The Property Rates Act 2004, (Act 6 of 2004); The Promotion of Access to Information Act 2000 (Act 2 of 2000); The Promotion of Administrative Justice Act, 200 (Act 3 of 2000); The Municipal Finance Management Act, 2003 (Act 56 of 2003); The Constitution of the RSA, 1996

#### *PREAMBLE*

***Whereas** the municipality receives an equitable share contribution from National Treasury annually;*

***and whereas** the National Department of Provincial and Local Government has issued guidelines regarding indigent support;*

***and whereas** the municipal council wishes to give access to basic services for all of its communities;*

***now therefore** the municipal council of UMZIMVUBU LOCAL MUNICIPALITY adopts the following Indigent Policy.*

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## **DEFINITIONS**

**“indigent”** means any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times the government pension grant as prescribed by the National Department of Social Development or in line with the National Indigent Framework issued by the department of Local Government (DPLG), who qualify, according to the policy for subsidy support or service subsidy.

**“household”** means a registered owner of the property

**“property”** means-

- (1) immovable property registered in the name of a person, including, in the case of sectional titles scheme, a sectional title unit registered in the name of a person
- (2) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (3) a land tenure right registered in the name of a person or granted to a person in terms of a legislation; or
- (4) public service infrastructure

**“orphans headed household”** means household where both parents are deceased and where all occupants of the property are children of the deceased and all are under the legal age to contract for service and are considered as minors in law by the state

**“rates”** means any tax, duty or levy imposed on the property by the council.

**“rebate”** in relation to a rate payable on a property, means a discount granted in terms of section 15 on the discount of the rate payable on the property

**“occupier”** in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property

**“owner”** in relation to immovable property, means -

1. the person in whom is vested the legal title there to provided that:

- (a) the lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof ;  
and
  - (b) the occupier of immovable property occupied in terms of a servitude of right analogous thereto shall be deemed the owner thereof;
2. if the owner is deceased, insolvent, has assigned his/her estate for the benefit of his/her creditors, has been placed under curatorship by order by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
  3. if the owner is absent from the Republic or if his/her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
  4. if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property

**OBJECTIVE**

- Is to assist and empower households which are unable to pay for municipal rates and services and households lacking the necessities of life. The municipality recognizes that there is a high level of unemployment in its area and therefore adopt this indigent policy to support and ensure that the community of Umzimvubu municipality is able to access basic level of services

**PURPOSE OF THE INDIGENT POLICY**

- Ensure that the communities access the provisions of basic services in a sustainable manner
- Provide procedures and guidelines for the subsidising of basic charges and provisions of the free basic energy to indigent households
- Setting of tariffs in terms of the Council tariff policy, which will balance the economic viability of continued service delivery and determining appropriate service levels
- Establish a framework for the identification and management of indigent household including a socio-economic analysis where necessary and an exit strategy.

**QUALIFICATION CRITERIA**

In order to qualify for indigent support the following criteria must be met:

1. Households where verified the total gross monthly income of all occupants over 18 years of age does not exceed the earning of a combined gross income equivalent to or less than two times the Government pension grant as prescribed by the National Department of Social Development or such other amounts as the council may from time to time determine, qualify for a subsidy of the essential services package

2. **Subsidised essential services package referred to:** water supply, sanitation, refuse removal supply of basic energy, assisting in the housing processes or housing debt and assessment rates
3. Only households where the account holder or property owner has applied as indigent, and whose application has been accepted shall qualify for the above concessions
4. For a household to qualify for subsidies or rebate on service charges and assessment rate, the registered indigent must be both the owner and full time occupant of the property concerned , and may not own any other property , whether in or out of the municipal area.
5. Household must formally apply for relief on the indigent registration forms and satisfy the registration criteria determined by the council.
6. If the application is approved the assistance will be valid for a period of 12 months only, with no guarantee of renewal. The onus is on the householder to reapply for a relief each year, failing which the assistance will ease automatically

### **APPLICATION PROCEDURES**

#### **Applicants shall be:**

1. Indigent owners
2. Owners dependent on pensions or social grants for their liver hood
3. Owners temporally without income
4. Owners of properties situated within an area affected by-
  - (i) a disaster within the meaning of the disaster management Act,2002 (Act 57 of 2002)
  - (ii) any other serious adverse social or economic conditions
5. Owners of agricultural properties who are bona fide farmers
6. Citizens of the Republic of South Africa in a possession of a valid South African ID document
7. Reside at the premises for which application is made within Umzimvubu municipality

8. In a possession of a service agreement and or monthly statements with Umzimvubu municipality in the name of a debtor
9. Only one application per household is allowed
10. Businesses (formal or informal) are not allowed to apply for indigent
11. If an indigent transfers his/her property to children he/she should make arrangements to pay any outstanding debt
12. Orphans should stay on the property where they apply for indigence and be older than 18 years of age ( special consideration in conjunction with the ward councilor will be given to orphans staying on stands)
13. Any transfer of stand or forfeiting of stand from indigents will lead to the arrangement of paying the outstanding debt on the stand.

**The applicant must produce the following documents:**

1. Certified copy of ID document
2. Documentary proof of total gross income of household namely account holder, spouse and persons older than 18 years of age (including children) residing on the premises
3. List of all residents on the premises. (ages must be specified, and copies of ID document or attached)
4. Salary advice or proof of pension/grant
5. Proof of unemployment. Unemployment insurance certificate original letter of ward councilor/religious leader to confirm unemployment and sworn affidavit by applicant
6. Birth certificates/ID documents of dependent children as well as a court order which confirms ownership
7. Motor vehicle full particulars as well as means of finance
8. Latest municipal rates and services account

The above documents should be current i.e. not more than one month old and verified at the commissioner of oaths and should be submitted with the application form.



**The applicant shall agree to the following institutional arrangements:**

- The applicant shall appear personal before the designated official with the application form accompanied by the documents required for verification purpose
- The applicant shall agree that the responsibility shall be on the approved indigent debtor to inform the municipality of any change in his/her status or personal household circumstances, and with one month after the changes
- The applicant shall guarantee the municipality the following rights
  - (i) Verification of the details provided by the applicant for indigent support
  - (ii) External scans of the applications recommended as suitable candidates for indigent support may be conducted with UIF, SARS, Department of social development, Labor, Credit Bureau, etc
  - (iii) The undertaking of house visits by councilors, CDW's, ward committees, staff personnel functioned for indigent or accredited agents to confirm the indigent living conditions
  - (iv) Where an approved debtor is found to be a standard inconsistent with his/her indigent application or fails to allow access or provide any further information as may be required , such debtor's indigent benefits may be cancelled at sole discretion retrospective to the date of approval

**INDIGENT REGISTER**

The municipality will conduct an audit of the indigent register on a quarterly basis with regard to the information furnished by the applicants and possible changes in status, the usage of allocation and debt collection measures applied.

The register shall contain the following:

1. The names of the indigent debtors receiving indigent support
2. Erf numbers
3. The total household income
4. The number of dependents
5. Indigent service support and rebate offered

## **INDIGENT COMMITTEE**

Once verification has been completed and recommendations are made based on the information on the database, those applications qualify for indigent supports are then to be transferred to the indigent committee for final approval.

And indigent committee comprising of designated officials and councilors preferably ward councilors, must be established for the purpose of consideration and finalization of applications received

The indigent committee must meet regularly, but at least once per month.

The Indigent committee must consider each recommended application, assess it in terms of the application and any other knowledge or information which members may have in respect of the application.

The indigent committee must monitor, in conjunction with ward councilors, ward committees and other persons or organizations it may appoint the implementation of the indigent support program, subject to the policy of the municipality and in consultation with the municipal manager.

## **COMMUNICATION**

- The municipality will develop a communication strategy in terms of which communities will be information and educated in order to have a clear understanding of this policy and its implementation. Regular information dissemination through ward committees, community based organisations and face to face contact by means of Imbizo's will be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery general.
- Other communication channels shall be advertisements on notice board, papers, medias, municipal website
- The list of the approved indigent households is to be displayed on the notice boards for inspection by ward committees, officials and community members
- An indigent household application which has been declined may appeal against such decision

- The appeal must be in writing and lodged to the Accounting Officer within 10 days after receipt of the notification setting out the reason to appeal and any other documentary proof in support of the appeal
- The appeal shall be decided within 21 days after lodgment of the appeal by the three official from the community and Social services designated by the Accounting Officer
- The decision of the committee is final and the appellant shall be notified in writing.

### **EXTENT OF THE INDIGENT SUPPORT**

- The municipality shall annually determine the overall rebate for indigent and debtors within the budget process and constraints
- Indigent rebate may be grated as follows:
  - (a) Electricity rebate up to a maximum of 50 kwh per household per month will apply, for those households not having electricity
  - (b) Basic energy indigent households in informal settlements where limited or no electricity is available , may be provided with alternative energy sources including, but not limited to: solar, paraffin, fire gel, liquefied petroleum gas, etc., provided that procurement of service providers or services shall be subject to the Supply Chain management Regulations of the municipality
  - (c) Property rates (1) All indigent owner of properties used for multiple purpose, provided one or more components of the property are used for residential purpose would receive a limited reduction on the reateable value of the property ( currently limited at R15,000.00) as provided for in Section 17 (1) (h) of the Property Rates Act No. 6 of 2004
  - (d) An indigent who resides in a property which exceed the exemption amount as provided for in the Property Rates Act as designated form time to time shall be subsidised to the extent determined annual
  - (e) Refuse removal rebate shall be fully subsidised as provided for in the annual budget
- The annual rates on indigent account will automatically be converted to monthly installments

- The household's monthly account will be credited with the amount of the indigent rebate as determined by the budget to their designation

### **NON – COMPLIANCE OF HOUSEHOLD REGISTERED AS INDIGENT**

A household registered as an indigent fail to comply with any arrangements or conditions materially relevant to the receipt of indigent relief such household will forfeit his/her indigent status and therefore be treated as an ordinary residential property owner for the financial year concerned

The responsibility is on each registered indigent to advise the municipality of such failure to comply.

If no arrangements/advice made the municipality will apply its Credit & Debt Collection policy against such debtor .All arrears will become payable immediately. The applicant will not be eligible to apply for a period of 2 years.

No interest shall be calculated on arrears of consumers who are registered as indigents

**The indigent support will be terminated under the following circumstances:**

- death of the account holder,
- end of the 12 months cycle , except in the case of pensioners and child headed households
- upon sale of the property
- When circumstances in the indigent have improved in terms of a gross income exceeding two times the government pension grant

### **SKILLS DEVELOPMENT**

Ward councilors, CDW's, ward committees and officials responsible for indigent support shall access skills training and other education related programs aimed at developing the indigent to become self sufficient and thereby reducing the rate of indigence

### **ASSINGMENT OF POWERS AND FUNCTIONS**

The municipal manager shall report on a monthly basis to the mayor or executive committees as the case may be for the month concerned and by the ward:

(1) The number of households registered as indigent and a brief explanation of any movement

(2) The monetary value of the actual subsidies and rebate granted

(3) The budget value of the subsidies and rebate concerned and the above information cumulatively for the financial year to date

The mayor shall submit a quarterly consolidated report per ward and each meeting of:

(a) Applications received

(b) Applications approved

(c) Applications declined

(d) Indigent defaulters

### **REVIEW AND AMENDMENT OF THE POLICY**

The municipality has the discretionary right to amend any clause, stipulation of tariff embodied in this Policy in the interest of parties concerned at the annual budget review policies in conjunction with the consideration of the annual budget.

Authority	Date
HOD Approval	
MM Approval	
Council Approval	
Date of next review	

